

STATEMENT OF PURPOSE

RS19452C3

This legislation temporarily increases the existing income tax credit for donations to the following organizations located within the State of Idaho to help them cope with recent budget reductions:

- Public and nonprofit private K-12 schools and universities in Idaho
- Idaho Public Broadcasting
- Idaho State Historical Society
- Idaho libraries and museums

The bill also temporarily adds the following to the list of eligible donees:

- Idaho Commission of Hispanic Affairs
- Idaho Commission for the Blind and Visually Impaired
- Idaho Council on Developmental Disabilities
- Idaho State Independent Living Council
- Idaho Council for the Deaf and Hard of Hearing

For individual taxpayers, the tax credit remains equal to 50% of the contribution, but would be limited to 50% (rather than 20%) of the taxpayer's total Idaho income tax liability. The maximum annual amount of the credit is increased from \$100 (\$200 on a jointly-filed return) to \$500 (\$1,000 on a jointly-filed return).

For corporate taxpayers, the tax credit remains equal to 50% of the contribution and limited to 10% of the corporation's total Idaho income tax liability. The maximum annual credit is increased from \$1,000 to \$5,000.

All provisions enacted by this legislation will sunset in five years.

FISCAL NOTE

For these recipient organizations that have relied heavily on monies from the General Fund, this legislation will increase funding by an estimated \$10 million annually beginning January 1, 2011. The corresponding tax credit would reduce income tax receipts to the General Fund by approximately \$5 million annually beginning in FY 2012.

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